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FISCAL IMPACT REPORT

SPONSOR: Stewart DATE TYPED: 2/9/03 HB 473

SHORT TITLE: Nursing Home Gross Receipts Exemption SB _____

ANALYST: Smith

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(3,700.0)	(4,000.0a)	Recurring	General Fund
	(3,300.0)	(3,600.0)	Recurring	Local Governments

(Parenthesis () Indicate Revenue Decreases)

Duplicates SB407

SOURCES OF INFORMATION

Responses Received From

TRD

SUMMARY

Synopsis of Bill

House Bill 473 enacts a new section of the Gross Receipts and Compensating Tax Act to provide a gross receipts tax exemption for the receipts of nursing homes licensed by the Department of Health.

FISCAL IMPLICATIONS

TRD relied on data from the Department of Health. The Health Licensing and Certification Bureau indicates there were 84 nursing homes licensed in New Mexico in 2000. According to the bureau, licensed nursing homes do not include residential mental health or substance abuse facilities, but do include some community care facilities for the elderly. Data from the 1997 Economic Census of Health Care and Social Assistance and the department's "Analysis of Gross Receipts by Standard Industrial Classification" (Report-80) was used to derive a tax base of \$125 million for the estimate presented above.

OTHER SUBSTANTIVE ISSUES

The federal government funds a substantial portion of nursing home care through the Medicare and Medicaid programs. Data from the Centers for Medicare and Medicaid Services (formerly the Health Care Financing Administration) indicate that of total money paid to nursing homes in New Mexico for 1998, 59.1% was paid by Medicaid, Medicare paid 14.8% and private pay and insurance paid 26.1%.

SS/yr